

Commissioners:  
SUSAN F. CLARK, CHAIRMAN  
J. TERRY DEASON  
JULIA L. JOHNSON  
DIANE K. KIESLING  
JOE GARCIA

State of Florida



Blanca S. Bayó, Director  
Division of Records and Reporting  
(904) 488-8371

## Public Service Commission

**DATE:** August 9, 1995  
**TO:** Parties of Record  
**FROM:** Blanca S. Bayó, Director *BSB*  
Division of Records and Reporting  
**RE:** Docket No. 950387-SU - Application for a rate increase for North Ft. Myers Division in Lee County by Florida Cities Water Company - Lee County Division.

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This is to inform you that the Commissioners have reported the following communication in the above referenced docket.

- Letter from Florida State Representative J. Keith Arnold dated July 11, 1995.

This letter, a copy of which is attached, is being made a part of the record in these proceedings. Pursuant to Section 350.042, F.S., any party who desires to respond to an ex parte communication may do so. The response must be received by the Commission within 10 days after receiving notice that the ex parte communication has been placed on the record.

BSB/cp

Attachments

cc: Rob Vandiver/w/letter

DOCUMENT NUMBER - DATE  
07593 AUG -95  
FPSC-RECORDS/REPORTING

State of Florida

Susan F. Clark  
Chairman



Gerald L. Gunter Building  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850  
(904) 413-6040  
FAX (904) 487-1716

## Public Service Commission

July 21, 1995

The Honorable J. Keith Arnold  
Representative, District 73  
Florida House of Representatives  
Post Office Box 2860  
Fort Myers, Florida 33902-2860

Dear Representative Arnold:

Thank you for your letter of July 11, 1995, in which you expressed your concerns about the rate increase proposed by Florida Cities Water Company in North Fort Myers.

The Commission is required by Section 367.081, Florida Statutes, to establish rates which are just, reasonable, compensatory, and not unfairly discriminatory. In establishing rates, the Commission must consider the amount of utility investment that is used and useful in providing service, as well as the necessary operating costs. Also, the Commission is required to provide an opportunity for utilities to earn a fair rate of return. The Commission does not, however, guarantee a profit for the utility. In setting rates, the Commission allows utilities to recover only the prudent costs of providing service. The Commission does not allow excessive costs incurred, for example, due to mismanagement to be recovered from utilities' customers.

The Commission is also required by Florida Statutes to consider the quality of service rendered by utilities. Since the Commission's proposed agency action procedure is being employed in this case, the Commission has not set this matter for a formal Commission hearing. Therefore, as part of the process of gathering information about the quality of service, the Commission's staff will hold a customer meeting in Ft. Myers on July 26, 1995. The staff will present a summary of the customers comments in its recommendation regarding the proposed rate increase.

The Commission is scheduled to render a decision on the issues in this case at an Agenda Conference in Tallahassee on October 10, 1995. The Agenda Conference is a public meeting in which interested persons may participate. The result of the Commission's decision will be a Proposed Agency Action (PAA) order setting final

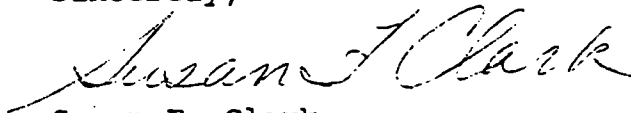
The Honorable J. Keith Arnold  
July 21, 1995  
Page 2

rates. The PAA order will be subject to protests and requests for a hearing.

The PAA order will be mailed to all customers on the Commission's mailing list for this case. Interested parties will have 21 days from the date of issuance in which to file a protest and request for formal hearing with the Commission's Division of Records and Reporting.

In closing, I would like to assure you that the Commission will carefully review Florida Cities' rate request. Also, I will place a copy of your letter, along with those of your constituents, on the record of the proceeding in the correspondence side of the docket file.

Sincerely,



Susan F. Clark  
Chairman

c: Division of Records and Reporting  
Docket No. 950387-SU

CLA



95-0188 JUL 17

# Florida House of Representatives

Post Office Box 2860  
Fort Myers, FL 33902 2860  
813-335-2411

J. KEITH ARNOLD  
REPRESENTATIVE, DISTRICT 73

221 The Capitol  
Tallahassee, FL 32399-1300  
904-488-1541

July 11, 1995

RECEIVED

JUL 13 1995

Susan F. Clark, Chairperson  
Public Service Commission  
Fletcher Building  
101 East Gaines Street  
Tallahassee, FL 32399-0850

Florida Public Service Comm.  
Commissioner Clark

Dear Susan:

I have recently learned that Florida Cities Water Company located in North Fort Myers, has requested a rate increase for the purpose of expanding their plant's capacity from 1,000,000 gallons to 1,250,000 gallons per day, at a cost of \$1.6 million. I further understand that a customer meeting of the Public Service Commission (PSC) is planned for July 26, 1995, at North Fort Myers High School.

Several constituents from this district have either written to me or called my office to protest this increase. Enclosed you will find copies of a couple of letters for your review and for the record.

The PSC approved a substantial increase for this company approximately three years ago. The company is again requesting another large increase. Furthermore, in their notice to customers they state that the proposed expansion will provide capacity for approximately six years which indicates that they will be coming back to the PSC in about five years to ask for another rate increase, if not before.

I understand the company's position of needing to expand their capacity to meet the growth needs in this community and to make a reasonable profit. However, I feel that it is unfair to the citizens of this community to pay substantial rate increases approved by the PSC every three or four years.

Page Two

Prior to making a final decision on this rate increase I would urge you to review the enclosed comparison of water and wastewater rates for area utility systems in and around this community. As you will note, Florida Cities Water Company in North Ft. Myers has the highest water and wastewater rates of any utilities in this county and surrounding communities. I implore upon you to make a conscious effort to listen to the public and hear their voices concerning their objections to this rate increase.

In closing, I appreciate the opportunity to share this information with you. If you should have any information which might be of beneficial to the citizens of this community regarding this rate increase then I would welcome your comments and information.

Sincerely,



J. Keith Arnold  
Representative, District 73

JKA\mns

cc: Jack Shreve, Public Counsel

Enc.

TABLE EX-4

COMPARISON OF WATER AND WASTEWATER RATES  
OF AREA UTILITY SYSTEMS

Utility Service Area	5000 Gallons/Month		Combined Water & Wastewater Rates
	Water Rates	Wastewater Rates	
Florida Cities: North Fort Myers	21.90	47.47	69.37
Charlotte County Utilities	30.40	34.50	64.90
Lehigh Utilities	21.03	34.75	55.78
City of Cape Coral (Proposed)	17.65	33.50	51.15
Florida Cities: South Fort Myers	21.90	27.84	49.74
Lee County: Fort Myers Beach	19.00	29.75	48.75
City of Venice	21.41	25.58	46.98
City of Cape Coral (1994 Actual)	18.40	23.95	40.35
City of Punta Gorda	15.79	21.15	34.94
City of Fort Myers	15.28	18.66	33.92

capecor/table ex-4/r/s

*why are these  
lower*

12/09/94

**DRAFT**

July 6, 1995

Director  
Division of Records & Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850


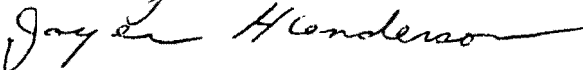
Dear Sirs:

I am writing this letter to share my deepest concerns regarding the requested rate increase by Fla. Cities Water Company's N. Ft. Myers Division. I have lived in my home in N. Ft. Myers for many years and have been through many rate increases. Fla. Cities Water Company cannot continue to siphon money out of the area homeowners. As are many individuals in my subdivision, we are on a very limited budget and find it hard to afford the incredulous rates currently being charged. To allow them to continue to raise rates would be usury.

Since Fla. Cities Water Company is a monopoly; we must continue to count on our local and state representatives to look out for the homeowners best interest. We need you to disallow this rate increase especially in light of what other water and sewer companies are charging in the surrounding counties. Fla. Cities Water, i.e. Avator is currently charging the highest water and sewer rates. Avator is a very large company with many holdings. I would question their ability to raise prices at large. They say they need to cover expenses and make a reasonable profit. Well, what happens if they are very inefficient or they must subsidize their other holdings? I nor my fellow neighbors can continue to support such efforts.

In closing, I ask that you support the homeowners in N. Ft. Myers and vote no for such an horrendous rate increase.

Thank you for your attention in this important matter.

Sincerely,   


Mr. & Mrs. Lorenzo Henderson  
959 Tropical Palm Avenue  
N. Ft. Myers, FL 33903

Copy to: A. Coy, Lee County Commissioner  
K. Arnold, State House Representative  
G. Gay, State House Representative  
F. Dudley, State Senate  
P. Goss, U.S. House Representative  
C. Mack, U.S. Senate  
B. Graham, U.S. Senate  
L. Chiles, Governor  
B. MacKay, Lt. Governor  
Division of Consumer Complaints  
General Office of the Auditor  
Fraud Division Public Assistance



July 6, 1995

Director  
Division of Records & Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Dear Sirs:

I am writing this letter to share my deepest concerns regarding the requested rate increase by Fla. Cities Water Company's N. Ft. Myers Division. I have lived in my home in N. Ft. Myers for over 30 years. I am a senior citizen like many other homeowners in my subdivision. Fla. Cities Water Company cannot continue to siphon money out of the area homeowners. First of all as senior citizens we are on a very limited budget and find it hard to afford the incredulous rates currently being charged. To allow them to continue to raise rates would be usury.

Since Fla. Cities Water Company is a monopoly; we must continue to count on our local and state representatives to look out for the homeowners best interest. We need you to disallow this rate increase especially in light of what other water and sewer companies are charging in the surrounding counties. Fla. Cities Water, i.e. Avator is currently charging the highest water and sewer rates. Avator is a very large company with many holdings. I would question their ability to raise prices at large. They say they need to cover expenses and make a reasonable profit. Well, what happens if they are very inefficient or they must subsidize their other holdings? I nor my fellow senior citizens can continue to support such efforts.

In closing, I ask that you support the homeowners in N. Ft. Myers and vote no for such an horrendous rate increase.

Thank you for your attention in this important matter.

Sincerely,

*Marie Johnson*

*William A. Johnson*

Mr. and Mrs. William A. Johnson  
945 Tropical Palm Avenue  
N. Ft. Myers, FL 33903

Copy to: A. Coy, Lee County Commissioner  
K. Arnold, State House Representative  
G. Gay, State House Representative  
F. Dudley, State Senate  
P. Goss, U.S. House Representative  
C. Mack, U.S. Senate  
B. Graham, U.S. Senate  
L. Chiles, Governor  
B. MacKay, Lt. Governor  
Division of Consumer Complaints  
General Office of the Auditor  
Fraud Division Public Assistance